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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JULY 10, 2002

APPLICATION OF

VIRGINIA NATURAL GAS, INC.

CASE NO. PUE-2002-00237

For approval of a Weather Normalization Adjustment Rider

ORDER GRANTING MOTION

On April 29, 2002, the State Corporation Commission ("Commission") entered an Order Prescribing Notice and Inviting Comments and/or Requests for Hearing on the application for approval of a weather normalization adjustment ("WNA") rider filed by Virginia Natural Gas, Inc. ("VNG" or the "Company"). On April 20, 2002, an Amending Order identified more clearly the rate schedules to which the WNA rider would apply. On June 18, 2002, an Order Granting Motion extended the deadline for Staff to file its Report, or testimony if appropriate, and the Company's response to the Staff Report and any comments filed herein to July 12, 2002, and July 19, 2002, respectively.

On July 9, 2002, Staff filed a Motion for Extension of Time requesting that the deadline for submitting its report on the application be extended from July 12, 2002, to July 31, 2002. Staff also moved that the time by which VNG has to file any response to the Staff Report, as well as to comments filed by

interested parties, be extended from July 19, 2002, to August 2, 2002. On July 10, 2002, Staff filed a Motion Amending Request for Extension of Time indicating that the August 2, 2002, deadline requested for the Company response should have been August 14, 2002.

In support of its motion, Staff states that VNG and Staff have been involved in settlement discussions regarding the WNA rider and that addressing issues arising from such discussions has proven to require more time than presently allocated for Staff to complete its report. Staff indicates that the Company and Staff both agree that an extension would be appropriate extension would allow VNG and Staff to continue settlement discussions and perhaps to reach a stipulation of issues to be presented to the Commission, and Staff would have more time to consider the proposal before finalizing its recommendations. Staff states that the Company has represented that it does not intend to put the proposed WNA rider into effect until the matter has been fully resolved by the Commission. represents that the Division of Consumer Counsel, Office of the Attorney General, has no objection to an extension, provided that VNG does not implement the tariff revision until the matter is fully resolved by the Commission. Staff states that United Cities Gas Company of Virginia and Roanoke Gas, respondents in this proceeding, also have no objection. As the Company has

indicated that the proposed WNA rider would not be put into effect until the matter has been fully resolved by the Commission, Staff asserts that an extension should not prejudice VNG's customers.

NOW UPON CONSIDERATION of the motion, the Commission is of the opinion and finds that the Motion for Extension of Time as amended should be granted, and that the procedural schedule in this matter should be modified as provided below.

Accordingly, IT IS ORDERED THAT:

- (1) The deadline for Staff to file its report or testimony, if appropriate, shall be extended from July 12, 2002, to July 31, 2002.
- (2) The deadline for the Company to file its response to the Staff Report and any comments filed by interested parties shall be extended from July 19, 2002, to August 14, 2002.
- (3) All other provisions of the April 30, 2002, Order Prescribing Notice and Inviting Comments and/or Requests for Hearing, as amended, shall remain in full force and effect.